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BOSSIER PARISH COMMUNITY COLLEGE

FOUNDATION, INC.

BOSSIER CITY, LOUISIANA

JUNE 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/15/06

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

BOSSIER CITY, LOUISIANA

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September 20, 2006

To the Board Members
Bossier Parish Community College Foundation, Inc.
Bossier City, Louisiana

Independent Auditor's Report

We have audited the accompanying statements of financial position of the Bossier Parish Community College Foundation, Inc. (a nonprofit organization) as of June 30, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the management of the Bossier Parish Community College Foundation, Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bossier Parish Community College Foundation, Inc. as of June 30, 2006 and 2005, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Heard, McElroy & Vestal, LLP

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BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2006 AND 2005

<u>ASSETS</u>	<u>2006</u>	<u>2005</u>
<u>Current assets:</u>		
Cash and cash equivalents	99,582	103,664
Investments-Note 3	245,678	200,937
Accrued interest and dividends	754	434
Contributions receivable: Note 8		
Unrestricted	1,689	3,399
Restricted to scholarship program	<u>6,375</u>	<u>26,035</u>
Total current assets	<u>354,078</u>	<u>334,469</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current liabilities:</u>		
Accounts payable	997	-
 <u>Net assets:</u>		
Unrestricted	104,667	84,690
Temporarily restricted	185,571	188,332
Permanently restricted	<u>62,843</u>	<u>61,447</u>
Total net assets	<u>353,081</u>	<u>334,469</u>
Total liabilities and net assets	<u>354,078</u>	<u>334,469</u>

The accompanying notes are an integral part of the financial statements.

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenue and other support:</u>				
Contributions	29,635	37,176	-	66,811
Fund-raising	5,220	-	-	5,220
Dividends and interest income	7,673	-	2,396	10,069
Realized and unrealized gains/losses	(8,281)	-	-	(8,281)
Miscellaneous income	<u>308</u>	<u>-</u>	<u>-</u>	<u>308</u>
Total revenue and other support	34,555	37,176	2,396	74,127
Net assets released from restrictions	40,937	(39,937)	(1,000)	-
<u>Expenses:</u>				
Program services:				
Scholarships	17,268	-	-	17,268
Faculty and staff development	4,040	-	-	4,040
Chancellor's fund expense	<u>3,629</u>	<u>-</u>	<u>-</u>	<u>3,629</u>
	24,937	-	-	24,937
Supporting services:				
Special events	5,082	-	-	5,082
Postage and shipping	511	-	-	511
Office operations	1,123	-	-	1,123
Professional fees	6,997	-	-	6,997
Other	<u>865</u>	<u>-</u>	<u>-</u>	<u>865</u>
	14,578	-	-	14,578
Other expenses:				
Uncollectible pledges	<u>16,000</u>	<u>-</u>	<u>-</u>	<u>16,000</u>
Total expenses	<u>55,515</u>	<u>-</u>	<u>-</u>	<u>55,515</u>
Change in net assets	19,977	(2,761)	1,396	18,612
<u>Net assets-beginning of year</u>	<u>84,690</u>	<u>188,332</u>	<u>61,447</u>	<u>334,469</u>
<u>Net assets-end of year</u>	<u>104,667</u>	<u>185,571</u>	<u>62,843</u>	<u>353,081</u>

The accompanying notes are an integral part of the financial statements.

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenue and other support:</u>				
Contributions	11,145	61,410	-	72,555
Fund-raising	4,350	-	-	4,350
Dividends and interest income	4,908	-	1,932	6,840
Realized and unrealized gains/losses	(572)	-	-	(572)
Miscellaneous income	<u>500</u>	<u>-</u>	<u>-</u>	<u>500</u>
Total revenue and other support	20,331	61,410	1,932	83,673
Net assets released from restrictions	22,603	(21,103)	(1,500)	-
<u>Expenses:</u>				
Program services:				
Scholarships	10,964	-	-	10,964
Faculty and staff development	5,390	-	-	5,390
Chancellor's fund expense	<u>6,249</u>	<u>-</u>	<u>-</u>	<u>6,249</u>
	22,603	-	-	22,603
Supporting services:				
Special events	3,492	-	-	3,492
Postage and shipping	116	-	-	116
Office operations	1,647	-	-	1,647
Professional fees	6,400	-	-	6,400
Other	<u>730</u>	<u>-</u>	<u>-</u>	<u>730</u>
Total supporting services	<u>12,385</u>	<u>-</u>	<u>-</u>	<u>12,385</u>
Total expenses	<u>34,988</u>	<u>-</u>	<u>-</u>	<u>34,988</u>
Change in net assets	7,946	40,307	432	48,685
<u>Net assets-beginning of year</u>	<u>76,744</u>	<u>148,025</u>	<u>61,015</u>	<u>285,784</u>
<u>Net assets-end of year</u>	<u>84,690</u>	<u>188,332</u>	<u>61,447</u>	<u>334,469</u>

The accompanying notes are an integral part of the financial statements.

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	18,612	48,685
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gains/losses	8,281	572
Changes in operating assets and liabilities:		
Increase in accruals	(320)	(433)
Decrease in contributions receivable	21,370	2,567
Increase (decrease) in accounts payable	<u>997</u>	<u>(1,139)</u>
Total adjustments	<u>30,328</u>	<u>1,567</u>
Net cash provided by operating activities	48,940	50,252
<u>Cash flows from investing activities:</u>		
Purchase of investments	<u>(53,022)</u>	<u>(12,533)</u>
Net cash (used) by investing activities	<u>(53,022)</u>	<u>(12,533)</u>
<u>Net increase (decrease) in cash</u>	(4,082)	37,719
<u>Cash at beginning of year</u>	<u>103,664</u>	<u>65,945</u>
<u>Cash at end of year</u>	<u>99,582</u>	<u>103,664</u>

The accompanying notes are an integral part of the financial statements.

BOSSIER PARISH COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2006 AND 2005

1. Organization

The Bossier Parish Community College Foundation, Inc. (the Organization) is a Louisiana nonprofit corporation incorporated on September 24, 1997. The activities currently provided by the Organization include education scholarships for students of Bossier Parish Community College and financial support to the college's faculty and staff.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Organization and the methods of applying those policies which materially affect the determination of financial position, changes in financial position, or changes in net assets are summarized below:

Financial Statement Presentation:

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the governing board.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by the qualifying use of the assets and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Contributions:

The Organization also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Promises to Give:

Contributions that are unrestricted by the donor are recognized when the contribution is received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

2. Summary of Significant Accounting Policies (Continued)

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these financial instruments.

Bad Debts:

Bad debts are expensed when deemed uncollectible. During the year ended June 30, 2006, two significant pledges totaling \$16,000 were deemed uncollectible due to a change in ownership of both donors.

Income Taxes:

The Organization is exempt from income taxes as an organization described in Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as an organization that is not a private foundation under Section 509(a). Accordingly, there is no provision for income taxes in these financial statements.

3. Investments

Investments are as follows:

	<u>2006</u>		<u>2005</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Unrestricted and temporarily restricted:				
Regions Fixed Income securities	191,721	181,888	141,094	137,520
Permanently Restricted:				
Regions Fixed Income securities	<u>67,976</u>	<u>63,790</u>	<u>65,582</u>	<u>63,417</u>
	<u>259,697</u>	<u>245,678</u>	<u>206,676</u>	<u>200,937</u>

Return on investments is as follows:

	<u>2006</u>	<u>2005</u>
Interest and dividend income	10,069	6,840
Realized (losses)	-	(1,028)
Unrealized gains (losses)	<u>(8,281)</u>	<u>456</u>
Total investment return	<u>1,788</u>	<u>6,268</u>

4. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>Net Assets at Beginning of Year</u>	<u>Increase</u>	<u>Decrease</u>	<u>Net Assets at End of Year</u>
Scholarships	197,514	36,576	32,268	201,822
Library	628	-	-	628
Faculty and staff development	(10,902)	600	7,669	(17,971)
Smart Channel	<u>1,092</u>	<u>-</u>	<u>-</u>	<u>1,092</u>
Total temporarily restricted net assets	<u>188,332</u>	<u>37,176</u>	<u>39,937</u>	<u>185,571</u>

5. Permanently Restricted Net Assets

Permanently restricted net assets are available for the following purposes:

	<u>Net Assets at Beginning of Year</u>	<u>Increase</u>	<u>Decrease</u>	<u>Net Assets at End of Year</u>
Bossier Healthcare Foundation	<u>61,447</u>	<u>2,396</u>	<u>1,000</u>	<u>62,843</u>

The Bossier Healthcare Foundation endowment requires that the original investment of \$60,000 be invested, with the actual earnings of the principal balance used to fund the annual scholarship titled "Bossier Healthcare Foundation Scholarship."

6. Concentration of Credit Risk

The Organization maintains cash in bank deposits which, at times, may exceed federally insured limits. Cash accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Cash was fully insured by the Federal Depository Insurance Corporation at June 30, 2006 and 2005. Nondeposit investment products, including mutual funds, are not guaranteed and are subject to investment risk, including possible loss of principal.

7. Donated Services

The Organization receives donated services from unpaid volunteers who assist in fund raising. No amounts have been recognized in the statements of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

8. Contributions Receivable

Contributions receivable at June 30, 2006 and 2005 are as follows:

Contributions expected to be collected in:

	<u>2006</u>	<u>2005</u>
Less than one year	4,876	19,744
One to five years	<u>3,188</u>	<u>9,690</u>
Total contributions receivable	8,064	29,434
<u>Less</u> -allowance for uncollectible receivables	<u>-</u>	<u>-</u>
Net contributions receivable	<u>8,064</u>	<u>29,434</u>